

Minutes
Board of Directors Meeting

Association of Small Business Development Centers (ASBDC)
October 30, 2006
By Conference Call

Board Members Participating: Mark Petrilli (Chairman); Don Wilson (President); Jody Keenan (Vice Chair); Al Salgado; Bill Carter; Mike Myhre; Becky Naugle; Barbara Necarsulmer; Jon Ryan.

Others Participating: Brenda Hopper; Mike Young; Dan O'Grady.

Call to Order: The meeting was called to order by Chairman Petrilli at 1:00 p.m. (Eastern Standard Time) on Monday, October 30, 2006.

Approval of Minutes: The Board reviewed the draft minutes of the Board meeting held on October 3, 2006. Jon Ryan moved that the minutes of the meeting of October 3 be approved. Al Salgado seconded the motion and the motion passed by voice vote.

Treasurer's Report: Don Wilson reviewed the Association's reconciled financial statements for September and reported that the Association's financial position is sound.

OMB Meeting: Chairman Petrilli reported to the Board on the joint ASBDC/SBA meeting with the White House Office of Management and Budget (OMB), which took place earlier in the day. Participating in that meeting were OMB Program Examiner for SBA Lorenzo Rasetti; Chairman Petrilli; Don Wilson; Jody Keenan; John Massaua; Clinton Tymes; Cheryl Mills (SBA); Mark Quinn (SBA); Antonio Doss (SBA); and Jean Smith (SBA). Chairman Petrilli stated that the meeting at OMB had been positive and productive. He stated that the SBDC network's ROI, cost per job created, and service to disadvantaged communities had been discussed. In addition, he noted that OMB was pleased with SBA's decision to establish program goals based on economic impact.

During the meeting at OMB, Mr. Rasetti had noted that funding in the Federal budget is limited. He suggested that the SBA and ASBDC work with other Federal agencies that have or are developing small business assistance programs (such as the Department of Agriculture, the Department of Labor and the Department of Commerce), to consider how efficiencies can be achieved through partnering. Mr. Rasetti also offered to organize a meeting with OMB staff who work on the budgets of other Federal agencies that are interested in small business assistance. Mr. Rasetti asked for information about non-Federal funding for the SBDC network and client satisfaction. He also asked about impact information in addition to the Chrisman Report, and participants at the OMB meeting discussed the SBA impact surveys and impact reports on state/regional SBDC networks.

- @ Don Wilson will prepare information for OMB concerning non-Federal funding for the SBDC network.
- @ Don Wilson will ask SBA to share SBDC client satisfaction information with OMB.
- @ Board members will bring reports and studies on their state/regional SBDC networks to the Board meeting on November 10 and 11, for the purpose of sharing those reports with OMB.

SBA Update: The Board discussed a list of new program definitions proposed by SBA. It was noted that there are inconsistencies in the proposed definitions. For example, the proposed definitions provide that a face-to-face counseling session can be counted only if it lasts for at least one hour, but an on-line counseling session can last as little as half an hour. Also, the proposed definitions allow preparation time to be counted in the case of an on-line counseling session, but preparation time cannot be counted in the case of a face-to-face counseling session.

The Board discussed the proposed definition of a start-up business. Board members asked if some of the criteria in the proposed definition of a start-up business might be too weak. Additional criteria were suggested, such as having paid employees who perform critical tasks for the new business, and the filing of a tax return. Chairman Petrilli suggested that some of the weaker criteria could be combined, to strengthen the requirements for defining a venture as a new business. Chairman Petrilli asked Board members to send their suggestions on changes to the SBA's proposed definitions to Don Wilson and to him as soon as possible.

- ① Don Wilson will compile comments on the proposed definitions that Association members submit.
- ① Don Wilson will let Antonio Doss know that the Association will be sending suggestions to him on changes to the SBA's proposed definitions.

Chairman's Remarks:

1. "New SBDC State Director Forum:" Chairman Petrilli stated that the ASBDC and the SBA will hold the first, joint "New SBDC State Director Forum" on Thursday, November 2. Chairman Petrilli thanked Mike Myhre for his leadership in organizing the Forum.
2. Preparing for the Board Meeting in Alexandria: Chairman Petrilli stated that Don Wilson and he will send Board members ideas on structuring the Association's committees, taskforces and interest sections for the coming year. He stated that the Board's decisions concerning the Association's priorities for the coming year will help determine the committee, taskforce and interest section structures. Chairman Petrilli suggested that, in preparation for the meeting in Alexandria, Board members read the compilation of Board and Committee actions from the preceding year, as well as the compilation of Board members' proposals for the coming year. Barbara Necarsulmer offered to send to other Board members the results of a brief survey of associate state directors.
 - ① Chairman Petrilli and Don Wilson will send Board members ideas on structuring the Association's committees, taskforces and interest sections for the coming year.
 - ① Barbara Necarsulmer will send to other Board members the results of a brief survey of associate state directors.
3. Capital Infusion Proposals: Chairman Petrilli stated that Antonio Doss has asked for the Association's help in understanding capital infusion levels in program proposals for 2007. Chairman Petrilli asked Board members to contact assigned state directors to ask them how they determined capital infusion levels in their 2007 proposals. For example, did proposals include only debt financing; were proposals based on Federal funding alone; and/or were

proposals based on advice from District Directors? Chairman Petrilli and Don Wilson will send information to Board members to assist them with their calls.

- ① Chairman Petrilli and Don Wilson will send information to Board members to assist them with their calls to state directors regarding capital infusion levels in the 2007 proposals.
- ① Board members will contact assigned state directors to ask them how they determined capital infusion levels in their 2007 proposals.

President's Report:

1. Congressional Update: Don Wilson stated that Dan O'Grady and he are meeting with Congressional staff to discuss possible action on SBDC appropriations and authorization issues during the upcoming lame duck session of Congress.
2. Meeting with the Veterans Corporation Board of Directors: Don Wilson stated that he met with the Board of Directors of the Veterans Corporation on Sunday, October 29. He stated that the leadership of the Veterans Corporation believes it can best serve veteran entrepreneurs by partnering with the SBDCs and not creating a duplicate network of business centers. He stated that he is working with the Veterans Corporation to draft an MOU between the ASBDC and the Veterans Corporation, and he will present a draft to the Board when it is available.
3. Department of Defense Need for Bonded Contractors: Don Wilson reported that a representative from the Department of Defense, who attended the Veterans Corporation Board of Directors meeting, stated that the Department of Defense has difficulty meeting small business procurement goals because of a shortage of small businesses that are bonded. Don Wilson stated that he will be working with the Department of Defense and the bonding industry to address this need.
4. Press Coverage of SBDCs: Don Wilson brought to the attention of the Board an article that appeared in *USA Today*, about a South Carolina SBDC client, and an article that appeared in *Franchise* magazine, about the SBDC network.
5. Enhancing Technical Assistance in the 8(a) and Community Express Loan Programs: Don Wilson stated that Cheryl Mills (SBA Associate Deputy Administrator for Entrepreneurial Development) has established working groups at SBA to consider ways to enhance the technical assistance components of the 8(a) and Community Express Loan programs. Ms. Mills would welcome suggestions from the Association in this effort.

Adjournment: Bill Carter moved that the meeting be adjourned. The motion was seconded by Becky Naugle and passed by voice vote. The meeting was adjourned at 2:50 p.m. (EST) on October 30, 2006.

Next Meeting of the Board: The Board will next meet in Alexandria, Virginia, on Friday and Saturday, November 10 and 11.

Completed Action Items from the Boards Previous Meetings

- ✓ The Association's leadership will follow up with OMB about SBDC appropriations.

New Action Items

- @ Don Wilson will prepare information for OMB concerning non-Federal funding for the SBDC network.
- @ Don Wilson will ask SBA to share SBDC client satisfaction information with OMB.
- @ Board members will bring reports and studies on their state/regional SBDC networks to the Board meeting on November 10 and 11, for the purpose of sharing those reports with OMB.
- @ Don Wilson will compile comments on the proposed definitions that Association members submit.
- @ Don Wilson will let Antonio Doss know that the Association will be sending suggestions to him on changes to the SBA's proposed definitions.
- @ Chairman Petrilli and Don Wilson will send Board members ideas on structuring the Association's committees, taskforces and interest sections for the coming year.
- @ Barbara Necarsulmer will send to other Board members the results of a brief survey of associate state directors.
- @ Chairman Petrilli and Don Wilson will send information to Board members to assist them with their calls to state directors regarding capital infusion levels in the 2007 proposals.
- @ Board members will contact assigned state directors to ask them how they determined capital infusion levels in their 2007 proposals.

Incomplete Action Items from the Board's Previous Meetings

- @ Jody Keenan and Barbara Necarsulmer will put together a list of suggested items that a new state/regional SBDC director should be aware of and do.
- @ The Board of Directors will include action items from the CEO's evaluation in the Board's action items for the coming year.
- @ Don Wilson will ask the Association's law firm to add a provision to the policy statement regarding termination of membership for non-payment of dues, stating that an SBDC can re-join the ASBDC after being terminated for non-payment of dues if such SBDC makes full payment of the dues for the calendar year in which such SBDC re-joins the ASBDC.
- @ The Board will work on proposals to enhance the effectiveness of Association committees, taskforces and interest sections, including definitions of committees, taskforces and interest sections.

- ① Donna Ettenson will look into software that can automatically update state/regional SBDC maps on the ASBDC web site whenever center information is updated.
- ① The Association will ask SBA for additional funding or a change in the scope of work to pay for accreditation training. The Accreditation Committee will choose a group of members to work with Association staff on this.
- ① Dan O'Grady will poll appropriate ASBDC members to determine whether 70% of all members of the U.S. House and Senate appropriations subcommittees that fund the SBDC network have visited an SBDC, as called for by the Board's strategic direction milestones.
- ① Don Wilson will give the Board a document specifying a corporate associate membership program.
- ① ASBDC staff will consider the possibilities of expanding the annual fall conference and make a recommendation to the Board.
- ① ASBDC staff will consider purchasing a copy of the decision-tree software used by Carol Lopucki to organize the Association's work.
- ① Don Wilson will continue working with USASBE leaders, foundations and Bob McKinley on publishing a paper about the qualifications and role of a state/regional SBDC director.
- ① ASBDC staff will continue to work to develop a proposal for a certification program for all SBDC counselors, and present a proposal at the Spring Meeting next year.
- ① ASBDC staff will make a recommendation for a technology counselor certification program, in conjunction with the Technology Task Force, to the Board in September, 2006.
- ① ASBDC staff, in cooperation with the International Trade Interest Section, will seek a Memorandum of Understanding with NASBITE that acknowledges the SBDC role in international trade counseling for small business and recognizes the NASBITE certification as the certification standard for SBDC international trade counselors.
- ① ASBDC staff will work with the Network Engagement Committee to determine a strategy to move forward on associate membership for counselors and staff.
- ① ASBDC legislative staff will continue to monitor efforts to provide funds for entrepreneurship training for farmers and ranchers in the next Agriculture Reauthorization bill.
- ① The Marketing Committee will make recommendations to the Board concerning the creation of a national brand for SBDCs, before the ASBDC Spring Conference.